

PUBLIC DISCLOSURE

JUNE 26, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WRENTHAM CO-OPERATIVE BANK

102 SOUTH STREET
WRENTHAM, MASSACHUSETTS 02093

DIVISION OF BANKS
1 SOUTH STATION
BOSTON, MA 02110

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Wrentham Co-operative Bank prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated “Satisfactory ”

A CRA rating of "Satisfactory" is assigned. An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire assessment area in a manner consistent with its resources and capabilities.

The institution's average net loan-to-deposit ratio for the period June 30, 1998 through March 31, 2000 was 59.4 percent. The average net loan-to-deposit ratio is reasonable given the bank's asset size, sole location and the competitive environment in which it operates.

Wrentham Co-operative Bank originated 56.7 percent of its loans within its assessment area, which reflects an adequate disposition of loans. This level of lending within the assessment area meets the standards for satisfactory performance.

Taking into consideration the fact that there are no low or moderate-income census tracts located within the bank's assessment area, the bank has made a good effort in reaching low and moderate-income individuals with 31.6% of all loans made to borrowers in these income categories. Therefore, the distribution of credit among borrowers of different income levels exceeds the standards for satisfactory performance.

Since the bank only has middle-income census tracts within its assessment area, the distribution of loans was found to be equitable and the bank was considered to meet the standards for satisfactory performance in the geographic distribution of loans.

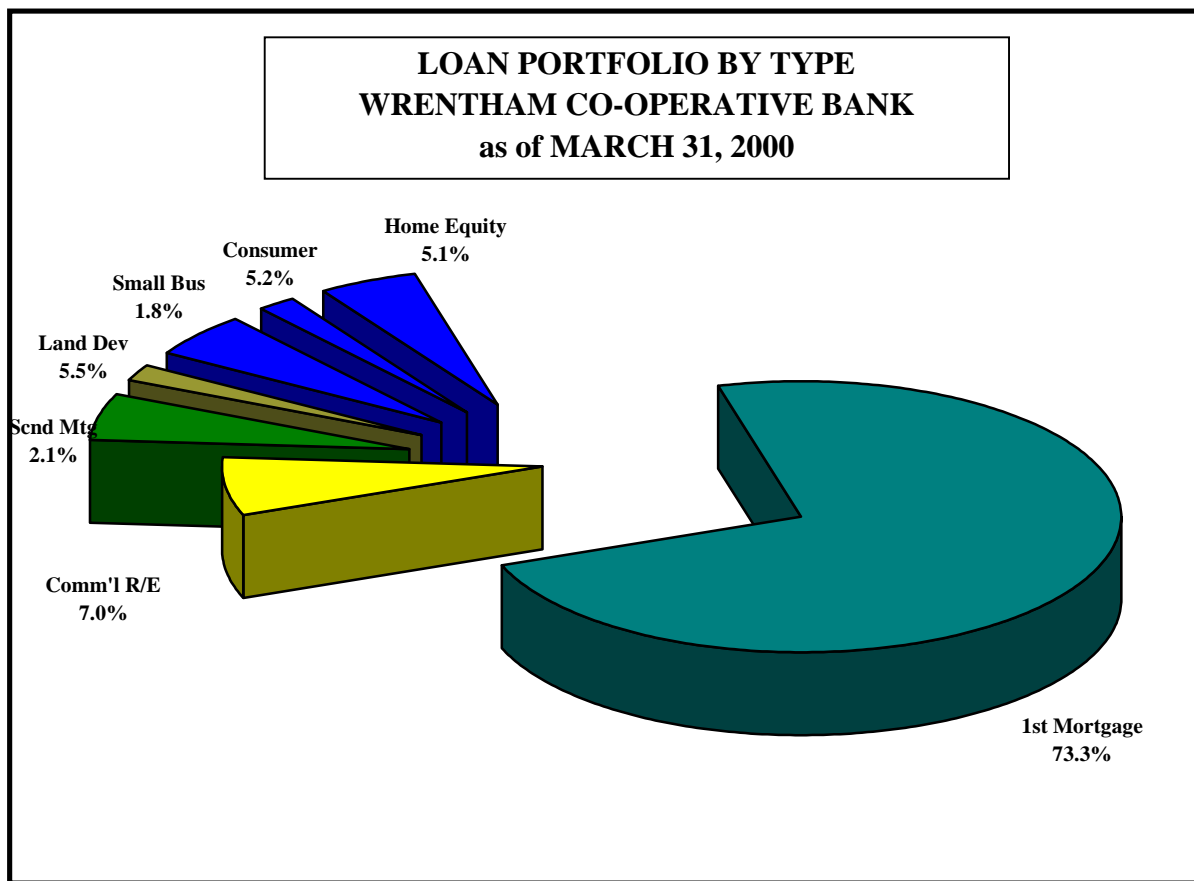
A review of Wrentham Co-operative Bank's Fair Lending activity for 1999 and Y-T-D 2000 (through 06-26-00) was conducted during the examination. Based on the analysis of the information and documentation provided by the bank, it has responded satisfactorily to the items referred to in Regulatory Bulletin 2.3-101. Therefore the bank meets the standards for a satisfactory performance rating in Fair Lending.

PERFORMANCE CONTEXT

Description of Institution

Wrentham Co-operative Bank is a \$64 million mutually owned, state chartered institution headquartered in Wrentham, Massachusetts. In addition to its main office located at 102 South Street, the bank operates a limited-service branch at the King Philip Regional High School in Wrentham. The bank is a portfolio lender and does not purchase or sell loans. The bank's loan portfolio represents 53.7% of total assets. The bank is primarily a real estate lender with 73.2% of its loan portfolio consisting of residential real estate loans.

Refer to the following graph for additional information.



Source: March 31, 2000 Call Report

The bank maintains an Automated Teller Machine (ATM) at its main office in Wrentham, which is connected to the Money Access Service (MAC) network with additional access to NYCE and Cirrus and SUM.

Other than the bank's relatively small asset size and limited staff, there appears to be no significant financial or legal impediment which would limit the bank's ability to help meet the various credit needs of its assessment area.

Wrentham Co-operative Bank operates in a competitive market. Local competitors include, but are not limited to Foxborough Savings Bank and Ben Franklin Savings Bank as well as a number of national banks and mortgage companies.

PCI Services, Inc., CRA Wiz was used to generate aggregate HMDA data, which compared Wrentham Co-operative Bank to other HMDA lenders throughout its assessment area.

The bank was last examined for compliance with the Community Reinvestment Act by the FDIC on March 3, 1999. That examination resulted in a satisfactory rating.

Description of Assessment Area

Wrentham Co-operative Bank's assessment area includes the towns of Wrentham and Plainville. These towns are located within the Boston Metropolitan Statistical Area (MSA). The median-family income for the Boston MSA was \$62,700 in 1999 and \$65,500 in 2000. The bank's assessment area is comprised of 3 census tracts, of which 2 are considered middle-income and 1 is designated NA. The census tract designated as NA represents the Wrentham State School, an institution for mentally handicapped children and adults.

According to 1990 U.S. Census data, provided by CRA WIZ, the assessment area had a population of 15,877. Minority residents represented 3.3 percent of the total 1990 population. In addition, 347 or 6.4% of the total number of households in the assessment area are living below the poverty level. Further analysis of the 1990 U.S. Census data indicates that the assessment area consists of 5,702 housing units of which 4,069 or 71.4 percent are owner-occupied units. The majority of the housing stock was built after 1967. Of the total housing units, 81.6 percent are one to-four family dwellings and 12.5 percent are multi-family dwellings (5 or more units). The remaining units are mobile homes.

The Town of Wrentham is a small, semi-rural community located on the fringe of the Boston and Providence metropolitan areas. The large tracts of open space areas, recreational facilities and lake regions make Wrentham an attractive community. The town has historically attempted to balance conservation and development and therefore maintain a high quality of life for its residents.

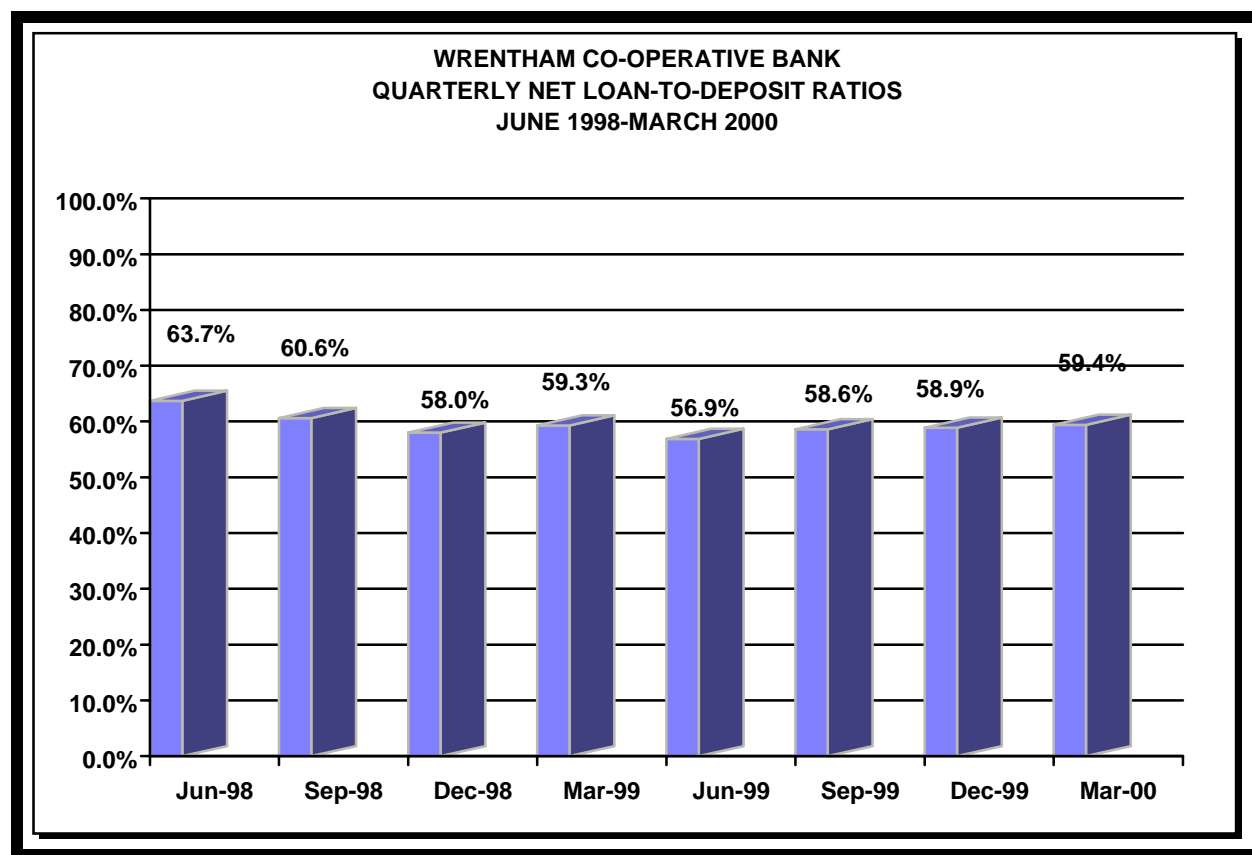
PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

An analysis of Wrentham Co-operative Bank's net loan-to-deposit ratio was performed during the examination. The calculation incorporated eight quarters of the bank's net loan to total deposit figures utilizing the FDIC quarterly call reports. This review included the quarters ending June 30, 1998 through March 31, 2000.

The institution's average net loan-to-deposit ratio during this period was determined to be 59.4%. The average net loan-to-deposit ratio is reasonable given the bank's asset size, sole location and the competitive environment in which it operates.

The following graph illustrates the loan to deposit trends.

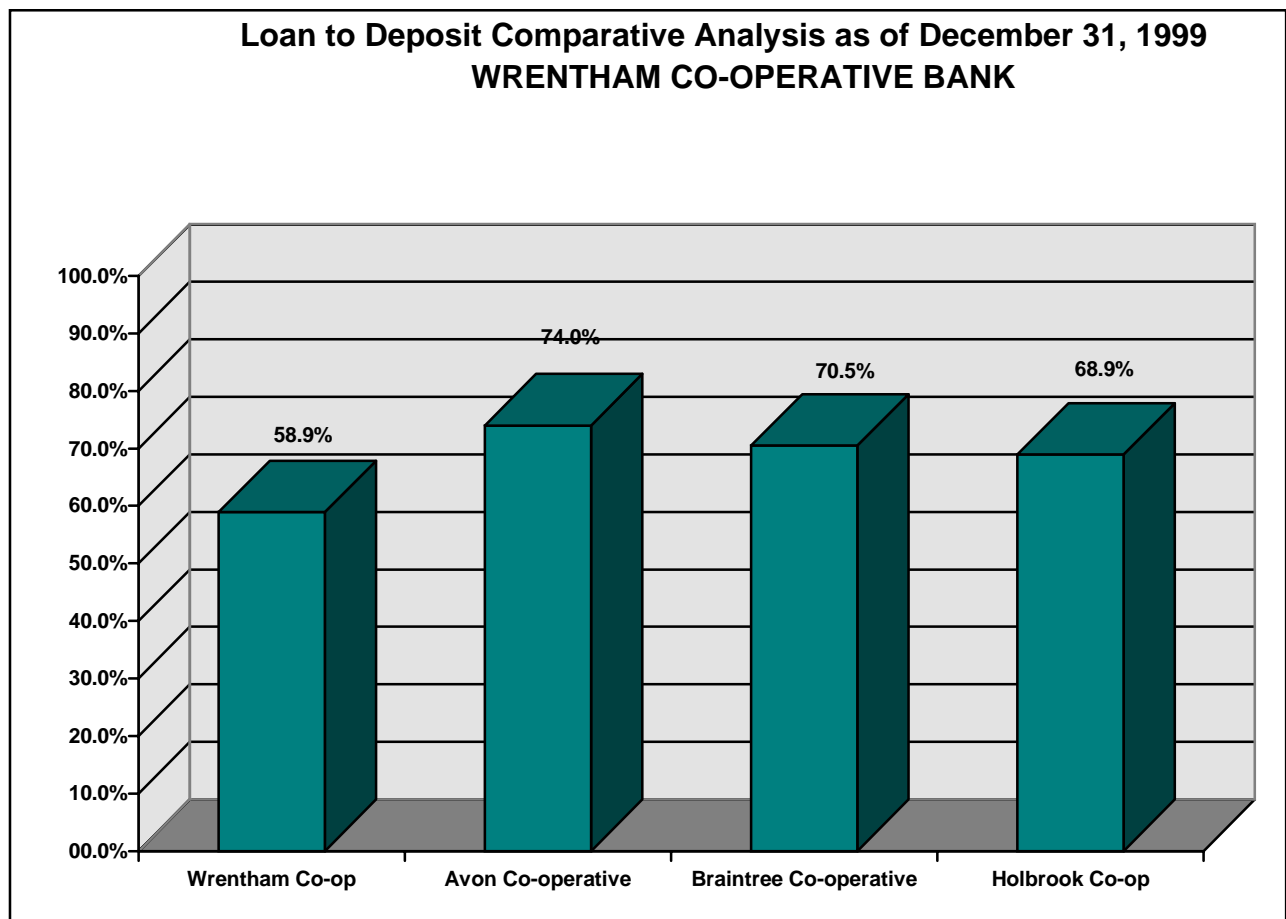


Source: Quarterly FDIC Call Report Schedule RC-Balance Sheet

The bank's quarterly net loan-to-deposit ratios exhibited a declining trend beginning June 1998, and ending June 1999. The loan-to-deposit ratios fluctuated from a high of 63.7 percent in June 1998 to a low of 56.9 percent in June 1999. However, the ratio has taken an upward turn with loan-to-deposit ratio of 59.4 percent as of March 2000.

Peer information was also reviewed utilizing UBPR call report data for the period ending December 31, 1999. Three banks located within Norfolk County with similar asset sizes were chosen for this comparative analysis. Wrentham Co-operative Bank's loan-to-deposit ratio as compared to its peer is reasonable.

The following graph provides the ratios for these institutions including Wrentham Co-operative Bank.



Based on the above information and Wrentham Co-operative Bank's capacity to lend, the capacity of other similarly-situated institutions to lend in the assessment area, demographic and economic factors present in the assessment area, and the lending opportunities available in the assessment area, Wrentham Co-operative Bank's loan-to-deposit ratio meets the standards for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA.

Data regarding the bank's residential mortgage lending activity for 1999 and year-to-date June 26, 2000 was reviewed to determine the proportion of loans within the assessment area by number of originations and dollar amount. Mortgage lending data

was obtained from the bank's Loan Application Register (LAR) filed under the provisions of the Home Mortgage Disclosure Act (HMDA).

A review of Wrentham Co-operative Bank's Loan Application Registers (LARs) for the current examination period by number and dollar amount was conducted during the examination. This information indicated that the bank originated 67 HMDA reportable loans during the current examination period. A total of 38 loans or 56.7% were originated within the bank's assessment area. The total dollar amount of HMDA reportable loans originated during this period was \$8,039,000. A total of \$4,696,000 or 58.4% of all reportable loans was originated within the bank's assessment area.

The information included in the tables below demonstrates originations by number and dollar amount.

**RESIDENTIAL LENDING ACTIVITY INSIDE AND OUTSIDE THE
ASSESSMENT AREA BY NUMBER**

LOCATION	1999		Y-T-D 2000		TOTAL	
	#	%	#	%	#	%
WRENTHAM	26	50.0	4	26.7	30	44.8
PLAINVILLE	6	11.5	2	13.3	8	11.9
INSIDE ASSESSMENT AREA	32	61.5	6	40.0	38	56.7
OUTSIDE ASSESSMENT AREA	20	38.5	9	60.0	29	43.3
TOTAL	52	100%	15	100%	67	100%

Source: HMDA/LAR Data 1999 and year-to-date June 26, 2000

**RESIDENTIAL LENDING ACTIVITY INSIDE AND OUTSIDE
THE ASSESSMENT AREA BY DOLLAR AMOUNT**

LOCATION	1999		Y-T-D 2000		TOTAL	
	\$000	%	\$000	%	\$000	%
WRENTHAM	3,031	52.1	714	32.1	3,745	46.6
PLAINVILLE	699	12.0	252	11.3	951	11.8

INSIDE ASSESSMENT AREA	3,730	64.1	966	43.5	4,696	58.4
OUTSIDE ASSESSMENT AREA	2,088	35.9	1,255	56.5	3,343	41.6
TOTAL	5,818	100%	2,221	100%	8,039	100%

Source: HMDA/LAR 1999 and year-to-date June 26, 2000

Wrentham Co-operative Bank's loan distribution reflects an adequate disposition throughout the assessment area. Therefore, the institution's level of lending within its assessment area meets the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis of residential mortgage loans extended within the bank's assessment area among borrowers of various income levels was conducted. Originations were categorized by the ratio of the applicant's reported income to the 1999 and 2000 estimated median family incomes of the Boston Metropolitan Statistical Area (MSA). The median family incomes for the Boston MSA were \$62,700 for 1999 and \$65,500 for 2000. Income figures were based on estimated 1999 and 2000 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income level for the MSA. Middle income is defined as income between 80 and 119 percent of the median family income level for the MSA. Upper income is defined as income greater than 120 percent of the median family income level for the MSA.

According to this analysis of the total mortgage loans originated during the examination period, 4 or 10.6 percent were granted to low-income borrowers and 8 or 21.0 percent were granted to moderate-income borrowers. By dollar amount, 3.2 percent or \$150,000 was granted to low-income borrowers and 15.9 percent or \$747,000 was granted to moderate-income borrowers. Refer to the following tables.

LOAN ORIGINATIONS BY INCOME OF BORROWER BY NUMBER

% OF MEDIAN MSA INCOME	1999		Y-T-D 2000		TOTAL	
	#	%	#	%	#	%
<50%	4	12.4	0	0.0	4	10.6

50% - 79%	7	21.9	1	16.7	8	21.0
80% - 119%	6	18.8	1	16.7	7	18.4
120% >	15	46.9	4	66.6	19	50.0
NA	0	0.0	0	0.0	0	0.0
TOTAL	32	100%	6	100%	38	100%

Source: HMDA/LAR 1999 and year-to-date June 26, 2000

LOAN ORIGINATIONS BY INCOME OF BORROWER BY DOLLAR AMOUNT

% OF MEDIAN MSA INCOME	1999		Y-T-D 2000		TOTAL	
	\$000	%	\$000	%	\$000	%
<50%	150	4.0	0	0.0	150	3.2
50% - 79%	640	17.1	107	11.1	747	15.9
80% - 119%	439	11.8	172	17.8	611	13.0
120% >	2,501	67.1	687	71.1	3188	67.9
NA	0	0.0	0	0.0	0	0.0
TOTAL	3730	100%	966	100%	4696	100%

Source: HMDA/LAR 1999 and year-to-date June 26, 2000

Utilizing data obtained from the PCI Services, CRA WIZ software Wrentham Co-operative Bank's performance in 1998 was compared to that of other financial institutions granting loans within the assessment area during 1998. This information indicated that Wrentham Co-operative Bank's performance in lending to low and moderate-income borrowers was relatively similar to the aggregate. The bank made approximately 14.0 percent of its loans in that year to low and moderate-income borrowers compared to the aggregate lenders with 16.4 percent. Wrentham Co-operative Bank made 50.0 percent of its loans to upper-income borrowers compared to the aggregate with 42.1 percent. On average it would be expected that the bank would continue this pattern through the period reviewed; however, Wrentham Co-operative Bank increased its distribution to low and moderate-income borrowers to 31.6 percent of all loans during the period examined.

In addition to the above analysis, a market share analysis was also performed. This analysis considered Wrentham Co-operative Bank's lending in relation to that of all other lenders within the area. This analysis revealed that the bank ranked 12th out of 220 lenders with a market share of 1.96 percent. The three top lenders were CountryWide Loans, Norwest Mortgage, Inc. and Ameriquest Mortgage Company. It is noted that only

one local bank ranked higher than Wrentham Co-operative. All other institutions ranking higher were either large mortgage companies or national banks.

Although there are no low- or moderate-income census tracts located within the bank's assessment area, the bank has made a significant effort to reach low and moderate-income individuals. Given this fact, Wrentham Co-operative Bank was found to exceed the standards for satisfactory performance in lending to borrowers of different income.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The bank's lending activity within the assessment area was reviewed according to the income distribution of census tracts within the community. The bank's assessment area includes 3 census tracts, including 2 tracts, which are designated as middle-income and 1 tract, which is designated as "NA". No lending activity has taken place in the tract identified as NA, which is the site of the Wrentham State Hospital. Consequently all loans made within the assessment area are equitably distributed according to census tract income. Therefore, the bank meets the standards of satisfactory performance in distributing loans according to the income of the geographies of the assessment area.

5. REVIEW OF COMPLAINTS/FAIR LENDING

Wrentham Co-operative Bank has not received any complaints relative to its CRA performance since the previous examination. The bank has procedures in place in the event any complaints related to CRA are received. According to bank policy, any complaint received in writing is reviewed with senior management of the bank and, if it is in regards to a loan decision, with the Security Committee. The bank responds within 30 days to any customer complaint.

FAIR LENDING POLICIES AND PRACTICES

Wrentham Co-operative Bank has adopted a written Fair Lending policy that adheres to the guidelines established by the Division of Banks Regulatory Bulletin 2.3-101. The policy was last reviewed and approved by the bank's Board of Directors on May 2000.

Detailed below is the institution's performance relative to the guidelines established by the Division of Banks Regulatory Bulletin 2.3-101.

STAFF TRAINING

The President/CEO, in unison with the Compliance Officer, keeps informed of the various regulations and laws. The bank's Compliance Officer attended the Mass Bankers Association's Annual Bank Compliance Teleconference where Fair Lending and CRA were among the compliance issues discussed in detail. The Compliance Officer also attended "The Dynamics of Diversity", sponsored by the Southeastern Group of the Banker's Education Forum.

STAFF COMPOSITION AND COMPENSATION

The bank's staff consists of 14 full time and 4 part time employees. Loan personnel are paid on a salary basis rather than on commission.

OUTREACH

The bank determines community credit needs through discussions with real estate brokers, local builders, and its current customer base. Because the bank is situated in a small community, bank management has the unique opportunity of having one-on-one contact with many of its customers on a regular basis. Management states that it listens to and learns from its customers, and provides as many products as practical.

The bank has regular contact with the Wrentham Housing Authority to discuss how it can assist in the planning and funding of low-to -moderate income housing. There are currently no plans by the Town of Wrentham for future development, but the bank has been assured that it will be a key player in any planning.

All directors are involved in the day-to-day town activities and are involved in the community

CREDIT PRODUCTS AND UNDERWRITING STANDARDS

The bank offers a First Time Home Buyer program for all first-time buyers of homes within its assessment area. This program offers a low interest rate, zero point product with reduced closing costs.

Bank management, along with the Security Committee and Board of Directors, reviews the bank's credit products and services on a regular basis. New products are developed or existing products are modified, based on demand and profitability.

MARKETING

The bank utilizes various advertising and promotional activities to inform all segments of the assessment area about products and services offered by the bank. Management advertises on a regular basis in The Country Gazette and The Sun Chronicle. The bank also utilizes statement stuffers and statement messages.

CREDIT EDUCATION

Since the last examination, the bank has not conducted or participated in any credit education programs for loan applicants. Bank management, however, frequently offers assistance by providing advice to applicants who are new to the home buying process.

COUNSELLING

Wrentham Co-operative Bank counsels loan applicants who require such services and where appropriate refers the applicants to credit counseling agencies.

The bank is also enrolled in the Massachusetts Bankers Association's Foreclosure Prevention Program. Under this program the bank's customers are referred to the National Consumer Law Center for counseling to help resolve credit problems and prevent the loss of their home. The bank pays for the counseling in hopes that a satisfactory alternative to foreclosure can be reached.

The bank also provides literature to its customers, such as the "Beware of Easy Credit", brochure published by the Massachusetts Bankers Association. These brochures are available in the lobby, and as stuffers in bank mailings.

SECOND REVIEW PRACTICES

The President is the Second Review Officer of the bank and performs a final review of rejected loan applications to ensure that credit is being granted in accordance with bank policies and applicable laws. All potential credit denials must undergo a review by a second Loan Officer prior to denial.

INTERNAL CONTROL PROCEDURES

The CRA Officer performs a quarterly review of the HMDA and of withdrawn loan applications. Each application file is internally compared to the LAR for accuracy and to ensure that applicants are treated fairly by the loan officer. The CRA Officer presents a formal HMDA analysis to the Board of Directors on an annual basis.

MINORITY APPLICATION FLOW

An analysis of the bank's minority population by race revealed that the ethnic composition within the bank's assessment area totals 3.3%. Further analysis also revealed that there were no applications submitted by minority applicants. The bank's minority application flow is not representative of the assessment area's demographics.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

WRENTHAM CO-OPERATIVE BANK

For compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JUNE 26, 2000**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction, and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.